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May 2, 2005

Honorable James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 94275
Baton Rouge, Louisiana 70804-4275

Re: ALL RB SUA
Gueydan Canal Field
Vermilion Parish, Louisiana

Application is hereby made on behalf of SOUTH GUEYDAN EXPLORATION L.L.C. for the calling of a public hearing, after legal notice, to consider evidence relative to the issuance of an order pertaining to the following matters relating to the establishment of rules and regulations and the creation of a single drilling and production unit for the exploration for and production of gas and condensate from the Alliance Sand, Reservoir B, in the Gueydan Canal Field, Vermilion Parish, Louisiana:

1. To create a drilling and production unit for the exploration for and production of gas and condensate in the Gueydan Canal Field, Vermilion Parish, Louisiana, to be designated as ALL RB SUA.
2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed unit with each tract sharing in unit production on a surface acre basis of participation.
3. To designate South Gueydan Exploration L.L.C. as operator of the proposed unit.
4. To designate a unit well for the proposed unit.
3. To provide that any future wells, replacement and/or alternate unit wells drilled to the Alliance sand, Reservoir B, should be exempt from the spacing provisions of Statewide Order No. 29-E.
6. To authorize the Commissioner of Conservation to reclassify the reservoir by supplemental order without the necessity of a public hearing if the producing characteristics of the reservoir change and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation.
7. To consider such other matters as may be pertinent.

The Alliance sand, Reservoir A, in the Gueydan Canal Field, Vermilion Parish, Louisiana, was previously defined in Office of Conservation Order No. 1185, effective June 8, 1982, as being that gas and condensate bearing sand encountered between the depths of 13,508 feet and 13,680

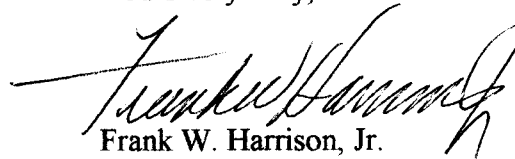
feet (electrical log measurements) in the Union Oil Company of California - Boatner No. 1 Well, located in Section 33, Township 12 South, Range 2 West, Vermilion Parish, Louisiana.

Pertinent data, including well logs, may be obtained AT THE COST OF THE NOTICE TO REQUESTING PARTY from Frank W. Harrison, Jr., P. O. Box 51943, Lafayette, Louisiana, 70505, Telephone number 337/232-4031.

A conference to discuss the proposed application and any opposition thereto was held at 10:00 A.M. on Wednesday, April 27, 2005, at the Petroleum Club of Lafayette, 111 Heymann Blvd., Lafayette, Louisiana. Frank Harrison, representing South Gueydan Exploration, LLC presented the basis of the 480 acre geographic unit being proposed by the applicant for the ALL RA SUA. Mr. Larry Hebert and Mr. Leon Comeaux representing the Eleazar Interest, presented a counter plan, being a 640 acre unit with the proposed unit well centered in a north-south direction. Questions were answered by both Harrison and Comeaux. Both parties agreed to give further consideration to the two proposals in an attempt to resolve their difference.

Attached hereto and made a part hereof is a plat outlining the applicant's proposal and a list of names and addresses of the Interested Owners, Represented Parties, and Interested Parties to whom a copy of this application is being sent. Pursuant to the Revised Rules of Procedure, such list of parties is being furnished only to the Commissioner of Conservation and the District Manager of the Lafayette District of the Office of Conservation; however, the list of parties will be furnished by the undersigned to any party requesting a copy of it. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Interested Parties, and Represented Parties.

Yours very truly,



Frank W. Harrison, Jr.

FWH,Jr./hg
Attachments

cc: Mr. Richard Hudson
Office of Conservation
P. O. Box 51285
Lafayette, Louisiana 70505

cc: All Interested Owners
Represented Parties &
Interested Parties

